



## HCL Infosystems reports consolidated revenue of Rs. 1471 Crore for Quarter ending 30th September, 2015

### Business Highlights for the Quarter

- Registers Revenue of Rs. 1471 Crore in Q1 FY16, PBT at Rs. (48.5 Crore)
- Services business revenue increases 22% Y-o-Y; Consumer Services grows 18%Y-o-Y
- Enterprise distribution business revenue grew by 68% Y-o-Y to reach Rs. 202 Crores

**New Delhi, 21<sup>st</sup> October, 2015:** HCL Infosystems, India's premier Distribution, IT Services and Solutions Company, today announced its financial results for the first quarter ended September 30, 2015.

**Mr. PremkumarSeshadri, Executive Vice-Chairman and Managing Director, HCL Infosystems Ltd.**, said, *"The ongoing transformation and emphasis on the growth businesses of Distribution & Services continue to be on track notwithstanding the need to address growth & efficiency simultaneously. The proactive investments in these businesses have been vindicated with the pipeline momentum"*.

### **Distribution Business:**

- **Consumer Distribution** posted revenue of Rs. 873 crore in the quarter, declining 8% Q-o-Q mainly due to continuing product rationalization by the principal. The business enhanced its footprint in the e-commerce & Microfinance (MFI) channels.
- **Enterprise Distribution** posted revenue of Rs. 202 crore in the quarter, declining 16% Q-o-Q. Leading international technology brands were added as partners in the Digital Convergence and Office Automation segments. The Q-o-Q decline was a function of the seasonality in demand.

### **Services Business:**

The Services business, consisting of Enterprise and Consumer Services, achieved 22% Y-o-Y growth on the back of a maturing portfolio.

- **Enterprise Services**  
The business posted revenues of Rs.211 crore in Q1 FY16 boosted by significant new customer acquisitions.
- **Consumer Services**  
HCL Consumer Services business posted 18% Y-o-Y revenue growth on the back of strategic alliances with leading OEMs across the Mobility and Consumer Electronics space. The business will focus on building e-commerce alliances, extended warranty offerings and enter new categories for its next level of growth.

### **HCL Learning**

Focusing on a content led asset light model, the Learning business posted a revenue of Rs. 7 crore. Its flagship product 'DigiSchool' won industry recognition and acceptance, including special award for 'Excellence in Product & Solutions in K-12 segment' at India Didactics Association, 2015.

### **System Integration (SI)**

New technological enhancements were made to the important UIDAI (Unique Identification Authority of India) project and the project continued to progress well with an enrollment of 92.03 crore as on 30<sup>th</sup> September 2015. The business also achieved ISO 9001:2008 certification that provides for stronger industry presence for ICT solutions in the domain of System Integration.

### **Financial Inclusion (FI)**

FI business achieved a robust 57% Y-o-Y growth in revenue with 200% Y-o-Y growth in number of transactions. The business strengthened its offerings with the launch of RuPay card functionality.

### **Awards & Recognitions during JAS FY2015-16**

- HCL Consumer Services was awarded “Retailer of the Year” in ‘Mobile and Telecom Services’ category at the 6th CMO Asia Retail Excellence Awards
- “Award for Excellence in Product/Solution in K12 education” in India Didactics Association
- HCL Consumer Services was awarded “Retailer of the year” at Asia Retail Congress 2015

### **Earnings Conference Call**

We will hold an earnings conference call on 23rd October at 10:30 a.m. Indian Standard Time to discuss the performance for the quarter and full year. A transcript of the management discussions and the question and answer session will be available online and will be accessible in the Investor Relations section of our website at [www.hclinfosystems.in](http://www.hclinfosystems.in).

For more information, please visit [www.hclinfosystems.in](http://www.hclinfosystems.in)

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### **About HCL Infosystems**

HCL Infosystems is India's premier IT Services, Solutions & Distribution Company enabling organizations to attain and sustain competitive advantage by leveraging Information and Communication Technologies. It is a leader in IT Services & Solutions with a comprehensive portfolio of capabilities spanning IT & System Integration services and digitally-enabled learning and career development solutions to value-added distribution of Technology & Mobility products. For more information, please visit us at [www.hclinfosystems.in](http://www.hclinfosystems.in)



### **About HCL**

Founded in 1976 as one of India's original IT garage start-ups, HCL is a pioneer of modern computing with many firsts to its credit including the introduction of the 8-bit microprocessor-based computer in 1978 well before its global peers. Today the HCL Group has presence across varied sectors that includes technology, healthcare and talent management solutions and comprises four companies - HCL Infosystems, HCL Technologies, HCL Healthcare and HCL TalentCare. The group generates annual revenues of over US\$ 6.5 billion with more than 110,000 employees from 100 nationalities operating across 31 countries, including over 500 points of presence in India. For further information, visit [www.hcl.com](http://www.hcl.com)

(Tables to follow)

## CONSOLIDATED RESULTS

	Unaudited			Audited
	Q1 FY 15	Q4 FY 15	Q1 FY 16	FY 15
<b>Gross Sales / Income from Operations</b>	<b>1,682.7</b>	<b>1,685.5</b>	<b>1,470.6</b>	<b>6,194.9</b>
Less: Excise Duty	-	-	-	-
Net Sales / Income from Operations	<b>1,682.7</b>	1,685.5	1,470.6	6,194.9
Other Operating Income	-	25.2	-	28.9
Expenses				
Cost of materials consumed	<b>7.7</b>	0.1	-	13.3
Purchases of Stock-in-trade	<b>1,265.1</b>	1,240.8	1,073.1	4,536.1
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	<b>67.1</b>	36.2	7.5	169.2
Employee benefits expense	<b>143.0</b>	152.3	150.8	582.2
Exchange Differences Loss/ (Gain)	<b>2.8</b>	0.5	1.2	6.0
Depreciation and amortisation expense	<b>13.4</b>	12.9	10.9	51.9
Other Expenses	<b>224.0</b>	286.5	257.5	985.5
Total Expenses	<b>1,723.2</b>	1,729.2	1,501.0	6,344.2
Profit / (Loss) from Operations before Other Income, finance costs and exceptional items	<b>(40.5)</b>	(18.5)	(30.4)	(120.3)
Other Income	<b>14.6</b>	14.5	14.4	60.6
<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items</b>	<b>(25.9)</b>	<b>(4.0)</b>	<b>(16.0)</b>	<b>(59.7)</b>
Finance costs	<b>32.3</b>	39.1	36.4	142.8
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	<b>(58.2)</b>	(43.1)	(52.4)	(202.5)
Exceptional Items loss/ (Gain)	<b>(19.2)</b>	(3.4)	(3.9)	(28.9)
<b>Profit / (Loss) from ordinary activities before Tax</b>	<b>(39.0)</b>	<b>(39.7)</b>	<b>(48.5)</b>	<b>(173.6)</b>
Tax Expense/ (Credit)	<b>6.3</b>	1.7	0.7	11.1
Net Profit / (Loss) from ordinary activities after Tax	<b>(45.3)</b>	(41.4)	(49.2)	(184.7)
Extraordinary items (net of tax expense)	-	-	-	-
<b>Net Profit / ( Loss) for the period</b>	<b>(45.3)</b>	<b>(41.4)</b>	<b>(49.2)</b>	<b>(184.7)</b>
<b>Basic EPS (Not annualised) Rs/share</b>	<b>(2.0)</b>	(1.9)	(2.2)	(8.3)

## CONSOLIDATED SEGMENT RESULTS

	Unaudited			Rs crores
	Q1 FY 15	Q4 FY 15	Q1 FY 16	Audited
				FY 15
<b>Segment Revenue</b>				
	<b>293.3</b>	246.6	164.3	957.6
-Hardware Products and Solutions (Gross)				
Less: Excise Duty	-	-	-	-
- Hardware Products and Solutions (Net)	<b>293.3</b>	246.6	164.3	957.6
- Services	<b>211.3</b>	257.7	254.6	948.5
- Distribution	<b>1,224.8</b>	1,182.0	1,063.9	4,373.5
- Learning	<b>12.6</b>	7.2	7.0	33.1
Total	<b>1,742.0</b>	1,693.5	1,489.8	6,312.7
Less : Intersegment revenue	<b>59.3</b>	8.0	19.2	117.8
<b>Net Sales / Income from Operations</b>	<b>1,682.7</b>	<b>1,685.5</b>	<b>1,470.6</b>	<b>6,194.9</b>
<b>Segment Results (Profit / (Loss) before Tax and Interest from each segment)</b>				
- Hardware Products and Solutions	<b>(47.9)</b>	(10.6)	(10.6)	(105.2)
- Services	<b>(1.2)</b>	(4.3)	(2.3)	(10.2)
- Distribution	<b>20.5</b>	20.8	5.9	74.3
- Learning	<b>(9.2)</b>	(6.4)	(7.5)	(29.3)
Total	<b>(37.8)</b>	(0.4)	(14.5)	(70.4)
Less :				
i) Interest Expense	<b>32.3</b>	39.1	36.4	142.8
ii) Other un-allocable expenditure net off un-allocable (income)	<b>(31.1)</b>	0.2	(2.4)	(39.6)
<b>Total Profit / (Loss) before Tax</b>	<b>(39.0)</b>	<b>(39.7)</b>	<b>(48.5)</b>	<b>(173.6)</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>				
- Hardware Products and Solutions	<b>841.8</b>	929.6	895.4	929.6
- Services	<b>225.8</b>	219.3	229.6	219.3
- Distribution	<b>(4.3)</b>	39.4	35.4	39.4
- Learning	<b>12.7</b>	16.4	15.0	16.4
Unallocated				
- Liquid Assets	<b>276.8</b>	269.7	223.2	269.7
- Others unallocated	<b>1,142.2</b>	1,035.7	1,063.4	1,035.7
<b>Total Capital Employed</b>	<b>2,495.0</b>	<b>2,510.1</b>	<b>2,462.0</b>	<b>2,510.1</b>